

OIL & GAS CONSERVATION COMMISSION
Meeting: January 18, 1974
Mr. John Bannister, Exec. Sec.



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

A G E N D A

Meeting
January 18, 1974
4515 N. 7th Avenue, Phoenix, Arizona

- 10:00 a.m. Call to order
1. Approval of minutes of meeting of November 30, 1973
 2. Report of Executive Secretary
 3. Report of Enforcement Section
 4. Report of Geology Section
 5. Old Business
 6. New Business
 7. Adjourn

IF YOU ARE UNABLE TO ATTEND THIS MEETING, PLEASE
NOTIFY THIS OFFICE AS SOON AS POSSIBLE.



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

January 9, 1974

Memo: Commissioners
From: John Bannister

Weather and gasoline supplies permitting, the Commission will meet on Friday, January 18, 1974, as usual. While there might be some inconvenience, it is my feeling that adequate gas to return you to your homes will be available.

As previously advised, on December 28, 1973 we submitted to Governor Williams a proposed budget of 432 thousand dollars with which to accomplish various geology projects which we feel will, when published, create exploration interest within the State. In addition to the geology projects, comments were made concerning encouragement of industry through tax incentives and royalty incentives. For your information we are enclosing copy of our proposal to the Governor. The full text of each proposal to the Commission is not enclosed, but will be discussed with you if you so desire at the meeting. Indications are that the Governor will probably seek a supplement for the 1973-74 budget for this geology proposal in order that this work may proceed as rapidly as possible. Don Olsen of the Finance Department indicated he will be in touch with the Governor's Office concerning this budget and will advise as soon as possible as to the potential time table of the funding.

As requested on January 7th by phone, Jack Conley will attend a short course on geothermal exploration dealing specifically with the geological technicalities as well as instrumentation of this work. It is my opinion that Jack, Bill and I should familiarize ourselves with this phase of our activity as rapidly as possible, particularly in view of the above-discussed proposal to the Governor. Consequently, as future geothermal seminars are forthcoming, I will be requesting permission for us to attend.

Ed Koester has indicated that due to personal family problems it may be necessary for him to terminate his employment with

Memo: Commissioners
January 9, 1974
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the Commission and go into retirement in California. His final decision should be made by the end of this month, at least. We will take no action to replace Ed until such time as his plans have definitely been made and known. Mr. Koester has been a valuable employee and his contributions to our geology effort have certainly been worthwhile.

I would remind you that we have invited Jerry Wright to be with us as a final farewell gesture.



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ACTIVITY REPORT

January 9, 1974

Memo from W. E. Allen, Director
Enforcement Section

The majority of major oil companies have announced increases in their exploration budgets for 1974. An example of the magnitude of the increases--Exxon's capital budget is 6.1 billion dollars, an increase of 73 percent over 1973. Gulf Oil, 2 billion dollars; Standard Oil of Indiana (Amoco), 1.4 billion dollars; Atlantic Richfield, 1.1 billion dollars, this doubles their 1973 budget. Continental and Sun Oil have announced sizable budget increases. We can only hope that some of these dollars will be spent and spent successfully in Arizona.

Kerr-McGee has spudded their Navajo 17 in the NW/SE Section 31-T36N-R30E, Apache County. At last report they were drilling below 2600' and were having lost circulation problems. Their operations were also hampered by deep snow and sub-zero temperatures.

Washing operations have begun on California Liquid Gas Corporation's storage well west of Glendale. The brine from this well is being utilized by Southwest Salt Company.

We have received a request from Charter Exploration and Production Company of Houston for our rules and regulations and various forms. They stated that they plan drilling operations within the State.

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Activity Report - 1-9-74
W. E. Allen

Several local groups have recently visited this office seeking information on drilling in the State. Perhaps some interest may be developed in Arizona.

Arizona Public Service has contracted with Fenix & Scisson to make a preliminary study for an underground natural gas storage facility in the Luke Salt Deposits west of Glendale. An A.P.S. research engineer has recently spent several hours in the office studying logs and information on various wells within their area of interest.



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ACTIVITY REPORT

January 9, 1974

J. N. Conley
Director, Geology Section

PUBLICATIONS

Sales have been slow this past month. I anticipate an increase after delivering papers at the American Association of Petroleum Geologists meeting in El Paso, Texas, February 1, and Geological Society of America meeting in Flagstaff, April of this year. The subject of the El Paso paper has been changed from a review of recent developments in the Basin and Range province to the oil potential of south-east Arizona.

Mail requests for publications since October, 1973, have been about evenly divided between libraries (academic and industry), government agencies, oil companies and individuals.

PLANNED PUBLICATIONS

Barring unforeseen difficulties, we will go to press this month with Arizona Well Information, Supplement I; Selected Paleozoic Stratigraphic Sections in Arizona; and possibly a map of the Dineh-bi-Keyah oil pool.

We are now editing Aiken and Sumner's report entitled, Geophysical Investigations in Southeastern Arizona Valleys, which was prepared for this Commission with funds supplied by the Four Corners Regional Commission. This report will be printed as soon as possible in this quarter.

INVESTIGATIVE PROJECTS

November 19, 1973, I submitted to the office of Arid Lands Studies, University of Arizona, a proposal for an investigation entailing: 1) a search for and analysis of anomalous features discernible on photos that might be reflecting structural closures in the subsurface capable of entrapping petroleum; 2) a subsequent expansion of the project relating to geothermal resources; and 3) integration of existing geophysical data with the geological data developed. I was notified orally January 7 that NASA had approved a request grant that will permit early commencement of Phase I of this investigative project.

Activity Report
January 9, 1974
Page Two

John Bannister has informed you about the various energy resource investigative projects submitted to Governor Jack Williams December 28, 1973.

GENERAL

We get occasional requests from individuals in the oil industry as to areas in Arizona warranting exploration for petroleum. The most recent one was from an Oklahoma drilling contractor, John Leeper, who stated that he had a rig capable of going to 30,000 feet, and that he wanted to drill a deep test in Cochise County. He wanted to know if we had any specific prospects warranting a deep test. We do not, of course, but I advised him that we had some forthcoming publications that will outline roughly some areas with petroleum potential that should be investigated with the seismograph and drill bit. He wants copies of these publications when available.


* * * * *

H. Wesley Peirce, Arizona Bureau of Mines, has mentioned to me the possibility that the Humble deep stratigraphic holes in the Santa Cruz Valley bottomed in the upper plate of down-dropped thrust fault. If such is the case, and pre-Cenozoic rocks had not been removed by erosion prior to the time of the thrust faulting, the petroleum potential of the areas tested by the Humble holes cannot be considered to have been condemned. A 20,000-foot plus hole would probably be necessary to test preserved Mesozoic-Paleozoic rocks beneath the thrust fault.

Harald Drewes, U. S. Geological Survey, has obtained field evidence in the Tucson area indicating Laramide thrust faulting involving minimum distances of tectonic transport in the order of 10 to 20 miles.

Two Phoenix men, Dwayne Mullins (Empire Financial Corp.) and William Scott, also have inquired about favorable areas in the state to explore for petroleum. Edward Koester gave them a briefing on the potentially favorable areas, and the leasing problems on such areas on Indian reservations.

JNC:os


J.N.C.

MONTHLY FINANCIAL REPORT

1 RECEIPTS MONTH OF Dec. 1973	2 CLASSIFICATION	3 RECEIPTS	4 APPROPRIATED RECEIPTS	5 UNAPPROPRIATED RECEIPTS	6 TOTAL ALL RECEIPTS YEAR TO DATE
-0-	1	Permits to Drill			50.00
	2				
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-0-	17	TOTAL CURRENT MONTH RECEIPTS	-0-	-0-	XXXXXX
XXXXXX		TRANSFERS IN			
-0-		BALANCES BROUGHT FORWARD		3,176.83	XXXXXX
		TOTALS - MONTH AND YEAR TO DATE		3,176.83	50.00

6 CLAIMS PAID MONTH OF Dec. 1973	7 FUND TITLES	8 TOTAL AMOUNT AVAILABLE YEAR TO DATE	9 CLAIMS PAID YEAR TO DATE	10 OUTSTANDING ENCUMBRANCES	11 UNENCUMBERED BALANCE
11,547.66	1 Personal Services	50,500.00	47,676.48		2,823.52
656.11	2 Emp. Related Exp.	6,250.00	5,125.19		1,124.81
235.00	3 Professional Serv	1,196.50	709.00		487.50
530.52	4 Travel-State	4,200.00	2,353.80	842.74	1,001.46
697.96	5 Travel-Out of State	3,400.00	1,643.98		1,756.02
2,207.71	6 Other Operating Exp.	28,433.16	19,164.24	7,858.71	1,410.21
-0-	7 Capital Outlay-Equip.	2,800.00	1,955.20	317.30	527.50
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	30				
15,874.96	TOTALS	96,779.66	78,629.89	9,018.75	9,131.02

CLAIMS PAID YEAR TO DATE	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF Dec. 1973
900.00	7111	1 Per Diem: Commission Members	1 360.00
46,276.48	7112	2 Salaries: Employees	2 11,187.66
132.26	7151	3 Industrial Insurance	3
1,670.83	7153	4 F.I.C.A.	4 113.01
2,506.86	7155	5 Retirement	5 428.10
640.24	7156	6 Health Insurance	6 115.00
175.00	7159	7 Personnel Commission	7
		8	8
	7215	9 Professional Services: Engineer	9
709.00	7219	10 Professional Services: Other	10 235.00
		11	11
334.00	7221	12 Travel - State: Mileage	12 100.40
1,058.00	7222	13 Subsistence	13 362.00
53.53	7223	14 Public Transp.	14 14.75
768.87	7224	15 Vehicle Expense	15 48.37
141.40	7225	16 Reg. Fees; Parking; etc.	16 5.00
		17	17
574.00	7232	18 Travel - Out of State: Subsistence	18 221.00
959.48	7233	19 Public Transp.	19 422.21
5.75	7234	20 Airport Parking	20 5.75
104.75	7235	21 Reg. Fees; Telephone; etc.	21 49.00
		22	22
14,795.68	7251	23 Occupancy: Office Rent	23 1,349.46
	7261	24 Warehouse Rent	24
	7263	25 Warehouse Mtn. & Repair	25
460.00	7272	26 Mtn. & Repairs: Furn. & Equip.	26
1,477.92	7280	27 Office Supplies	27 91.87
188.90	7300	28 Field Supplies; Film; Am.Strat; P.I., etc.	28 95.00
321.56	7331	29 Printing: Reports; Large Maps; etc.	29
	7332	30 Legal Advertisement	30
	7333	31 Court Reporter, Notary Commission, etc.	31
252.70	7334	32 Postage	32
1,134.77	7335	33 Telephone	33 171.38
	7337	34 Drayage; Express; etc.	34
65.21	7349	35 Rental, Misc.	35
22.50	7360	36 Dues & Subscriptions	36
		37	37
1,755.20	7431	38 Capital Outlay: Office Equip; Tpr; etc.	38
	7434	39 Spec. Equip. (Geol.)	39
	7436	40 Automobile	40
		41	41
250.00	7913	42 Revolving Fund	42
		43	43
195.00		44 Orthophoto Quads	44
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		47	47
		48	48
		49	49
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		54	54
		55	55
78,629.89		TOTAL	15,874.96



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December 12, 1973

Due to the approaching holidays and the energy crisis, the regular meeting of the Oil and Gas Conservation Commission scheduled for December 21, 1973 has been cancelled.

John Bannister
Executive Secretary



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December 11, 1973

Memo: Commissioners
From: John Bannister

While with Governor Williams in New Orleans, he asked that I prepare a potential all-out budget designed to stimulate production in the State. It was his feeling that practically any money requested for this purpose would be granted and he asked that I have this proposal ready for him before the end of December. Accordingly, I have an appointment with Governor Williams on December 28th at 10 a.m. to present the proposed program and cost.

Pursuant to Governor Williams' instructions, I have contacted the various Universities for proposals, as they see our problem, and Jack Conley is, of course, diligently working on the proposal from our point of view.

In addition to geology efforts to stimulate production, I will prepare other proposed incentives such as tax incentives, royalty incentives, etc. I am hopeful I will be able to give you a rough draft of these proposals at our meeting on the 21st.

I have furnished you with a copy of the newspaper article wherein this Commission is somewhat criticized by Dr. Kalil. This is an extension of the subject we talked over in Tucson. Since the initial flurry on December 7th, nothing further has developed. Dr. Kalil's meeting will be on Wednesday, the 12th, and we have had some indication that some of the members of the Petroleum Development Association will take issue with the public stand taken by Dr. Kalil, as their President. I will report further to you as soon as possible.

THE ABOVE CONCERNING THE GOVERNOR'S BUDGET IS EXTREMELY
CONFIDENTIAL.

The Arizona Republic
Phoenix, Friday, Dec. 7, 1973

Williams confident of plan to ease crisis

Gov. Williams expressed confidence Thursday that the oil and natural gas shortage could be relieved by recommendations of the Interstate Oil Compact Commission.

He said they include:

—Deregulation of natural gas prices and removal of all crude oil price restrictions.

—Liberalization of oil leasing policies on all public lands like the outer continental shelf in the Atlantic, the Pacific including the Santa Barbara channel, and the Gulf of Mexico.

—Limited modification of "environmental stipulations that impede . . . exploration, production, transportation and refining," relaxation of environmental discharge requirements, and the basing of emission standards on science and geography.

—Establishment of priorities favoring petroleum drill-

ers and producers in the allocation of equipment and fuel.

—Restriction of any mandatory allocation system to refined products only without considering the problem

solved by "sharing the shortage."

—Cultivation of a conservation-minded citizenry.

—Revision of federal oil shale, tar sand and coal land leasing policies to encourage immediate development, coupled with joint government-industry research into other energy sources.

—Encouragement of secondary recovery projects in waning oil and gas fields.

Williams has just returned from a New Orleans meeting of the Interstate Oil Compact Commission, which consists of the governors of states which have oil and gas production to regulate.

State charged with failure to attract oil-gas drillers

The president of the Petroleum Development Association of Arizona Thursday charged the State Oil and Gas Conservation Commission with failure to encourage exploration for sorely needed natural gas and oil.

The association official, Phoenix physician Charles Kalil, said the commission has exceeded its statutory authority by ruling that samples and cores from deep tests drilled by a major oil company may be kept secret for a year.

Kalil said this rule is contrary to state law providing that well records may be kept confidential for six months. If other oil companies had access to the deepest information being withheld by the commission for a year, they might be encouraged to drill in Arizona, Kalil added.

The commission's executive secretary, John Bannister, said the one-year secrecy rule was approved by the attorney general after a public hearing "so we feel we're within the statute."

If Arizona forced drillers to share their test-hole findings before they have had a year to analyze the information privately, they might shun this state, added Bannister. He said some other jurisdictions allow such information to remain confidential indefinitely.

Kalil said application of the confidential information rule to the deep tests made here is hampering his association's efforts to present a meaningful panel discussion of the tests by three geologists at its next meeting Wednesday noon in the TowneHouse.

Kalil said the association wants to publicize the facts so oil companies might be persuaded to allocate their exploration dollars to develop our resources, a shortage of which has brought about a crisis materially affect-

ing the economy . . . particularly the industrial users."

Kalil also asserted that the commission should be urging the legislature to appropriate at least \$250,000 to award as an incentive to the discoverers of the first commercial oil or natural gas well off the Navajo Indian reservation in Arizona.

The worth of such incentives has been proven in Australia, the North Sea and in some states in this country, Kalil said.

But Bannister said all states have found that discovery bonuses "encouraged the wrong kind of promotion." He said that only one of them ever was collected (in Florida) and that they "have not done the job."

A former member of the commission, Kalil charged that it has spent about \$1 million in 13 years and that the state has no off-reservation oil or natural gas development to show for the money, though encouraging such development is one of the agency's statutory functions.

Bannister replied that the commission, in cooperation with the state universities, has been developing oil and gas geological information to induce major oil companies and independent operators "to look at our state."

"It is ironical," said Kalil, "that Arizona should have statutes regulating our oil and gas production that are among the most restrictive in the entire United States."

Bannister said he feels Arizona's oil and gas statutes are attractive to the industry because they are designed to enable oil and gas operators to exploit their discoveries to the fullest without the expense of drilling more wells than are absolutely necessary.



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PHONE: (602) 271-5161 December 12, 1973

ACTIVITY REPORT

Memo from W. E. Allen, Director
Enforcement Section

The energy crunch, as you know, is very much with us and from all indications will be around for quite some time. At our last meeting, various sources of energy and their potential availability were discussed. The attached article relates to this subject and indicates a realistic assessment of our future requirements.

Geothermal Kinetics attempted to perform additional tests on their Power Ranches No. 2 Well this past week. The well was prepared to reverse-circulate the water from the well in a semi-closed system and inject hot air into the system. The air injection would have lessened the hydrostatic pressure and presumably resulted in a rise in well fluid temperature, possibly resulting in some flashing of steam. The operators' efforts were not successful. They were unable to obtain the air compressors.

We have been compiling cost data to use in estimating the cost of drilling and completing a well in Arizona off the Indian Reservation. Considering the depth of "valley fill" encountered in most areas of the Basin and Range, we picked 7,500' for the total depth of our hypothetical well. The cost for drilling and

W. E. Allen
Activity Report - December 12, 1973
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completing such a well was \$234,000. A similar well could be drilled and completed in the Four Corners area at a cost of approximately 15% less than the above estimate. This is due to additional transportation cost.

Belle Fourche Pipe Line, a subsidiary of True Oil Company, has posted a price of \$8.50 per barrel for forty gravity sweet "new oil" in Wyoming. As far as we know, this is the highest price for new oil.

MERRY CHRISTMAS AND MAY YOU KEEP REASONABLY WARM AND NOT RUN OUT OF GASOLINE!

A 'Scare Show:' the Nation's Energy Appetite

The adjoining graph is intended to demonstrate the magnitude of the energy problem facing the nation.

It is one of a series of charts which has been presented in slide shows to audiences from Capitol Hill and industry by Jack H. Bridges, until recently a staff member of the Joint Atomic Energy Committee. His presentation has impressed deeply most of those who saw it. Some called it a "scare show," but most came away impressed that the "national energy dilemma" of which Bridges speaks is real.

Bridges used no new figures; he simply compiled existing high and low estimates of energy need from industry and government sources between now and the year 2000.

The graph shows how the United States might go about meeting its energy needs between now and then. For purposes of comparison, energy from all sources has been converted into a common unit—millions of barrels per day of oil equivalent.

Assumptions: Bridges estimates that U.S. energy demand will be 82.5 million barrels a day by the year 2000, of which 70 million will be produced domestically. The figure is based on two assumptions:

- that the rate of increase in demand will moderate and demand will fall 25 per cent short of the 95 million barrels a day that would be needed if present growth rates continued;
- that for reasons of financial stability and national security, the U.S. will limit energy imports to \$20 billion a year.

Two second level assumptions are that the cost of energy imports will remain constant and that energy supplies actually will be available.

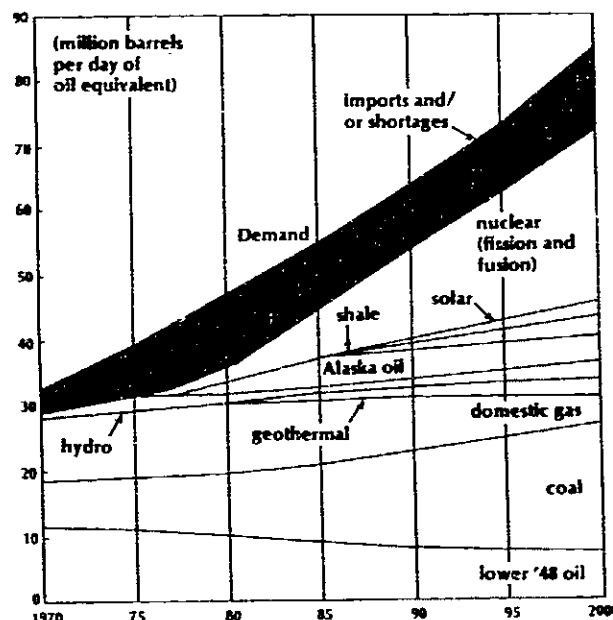
Domestic production: Bridges lectures that in order to produce the equivalent of 70 million barrels a day domestically, the nation must act in nine energy-source areas and meet quotas and deadlines in all of them. They include:

Lower-48 oil—To reach needed levels of production, the price of domestic crude must be raised at least 50 per cent. Existing offshore operations along the Atlantic and Gulf coasts must be stepped up, development of other offshore deposits such as the Santa Barbara channel must be started and production must increase on federal lands in the West.

Coal—Coal production must treble, by trebling strip mining and increasing underground production by 50 per cent or by other new mining techniques. Bridges says problems of reclamation, availability of water and transportation shortages could make this estimate too optimistic.

Domestic gas—Gas projections assume deregulation of price and a resulting supply increase for 10 years, followed by a tapering off of supply on the premise that no new deposits will be found. Bridges says natural gas supplies are "probably the hardest to estimate."

Geothermal—At least 100,000 megawatts of electricity must be generated by geothermal steam by 2000, an increase in current capacity of 600 per cent. Achieving



In the chart above, from the Joint Atomic Energy Committee, energy sources are converted into millions of barrels of oil per day equivalent for comparison

the goal would "require a massive effort in California and several other states (to) generate the electric equivalent of over 100 Hoover Dams."

Hydroelectric—Dams must be built in national parks—including Grand Canyon—to meet a goal of a 50 per cent increase in hydroelectric power.

Alaska oil—To achieve a goal of more than four million barrels a day from Alaska's North Slope, both the trans-Alaska pipeline and a second pipeline through Canada must be built by 1984. The production figure also assumes discovery of major amounts of oil in the Navy's Petroleum Reserve Number Four.

Oil shale—The mix would include three million barrels a day of oil from shale in the West. The report calls attention to major oil shale production, including huge amounts of water and massive mining machinery installations.

Solar—The forecast of an equivalent of one million barrels a day of oil equivalent from solar energy is made despite the fact that, as the report notes, important elements of solar energy technology still have not been solved.

Nuclear—A huge increase in nuclear power generation—to more than one million megawatts of installed capacity—is required to meet demands. Today, only 16,000 megawatts are installed, and another 126,000 are being constructed or on order. The Atomic Energy Commission projected in 1972 that 1.2 million megawatts would be installed by the year 2000, but its projections historically have been much too optimistic.



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ACTIVITY REPORT

December 12, 1973

J. N. Conley
Director, Geology Section

PUBLICATIONS

Only a limited number of sales of our publications has been made since November 21.

We now have an exchange agreement with the U. S. Geological Survey Library in Washington, D. C. Henceforth we can order desired bulletins, professional papers, water-supply papers, topographic and other types of maps at no cost to us. In return, we are obligated to send the Library free of charge all material we publish. This is a good deal for us, as we have been sending the Library all of our publications at no cost, but have been spending several hundreds of dollars per year for Geological Survey publications.

CURRENT INVESTIGATIONS AND PROJECTS


Status: Essentially the same as reported November 21.

GENERAL

Papers - Geological meetings. As previously reported, I have accepted invitations to present papers at the regional American Association of Petroleum Geologists' meeting (sponsored by the El Paso and West Texas Geological societies) in El Paso, Texas, late in January, 1974, and the Geological Society of America's Rocky Mountain Section meeting in Flagstaff, Arizona, in April, 1974. One paper will deal primarily with recent developments of geological and economic significance in the Basin and Range province; the other will be primarily a review of development of oil and gas resources in the Colorado Plateaus province of Arizona. Both papers will be published by the societies involved. For the past few weeks most of my time has been devoted to preparation of these papers in order to meet this month's manuscript submission deadlines.

Exxon's Strat Test, Pima County. American Stratigraphic Company wants to examine the drill bit cuttings of this well. Amoco Production Company has kindly offered to examine cuttings of selected intervals for palynological age-dating pollen. The confidentiality period granted for this well expires December 19.

JNC:os


J.N.C.

MONTHLY FINANCIAL REPORT

1 RECEIPTS MONTH OF	2 CLASSIFICATION	3 RECEIPTS	4 APPROPRIATED RECEIPTS	5 UNAPPROPRIATED RECEIPTS	6 TOTAL ALL RECEIPTS YEAR TO DATE
Nov. 1973					
-0-	1 Permits to Drill			-0-	50 00
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-0-	TOTAL CURRENT MONTH RECEIPTS			-0-	XXXXXX
XXXXXX	TRANSFERS IN				
XXXXXX	BALANCES BROUGHT FORWARD			3,176 83	XXXXXX
-0-	TOTALS - MONTH AND YEAR TO DATE			3,176 83	50 00

6 CLAIMS PAID MONTH OF	7 EXPENDITURES FUND TITLES	8 TOTAL AMOUNT AVAILABLE YEAR TO DATE	9 CLAIMS PAID YEAR TO DATE	10 OUTSTANDING ENCUMBRANCES	11 UNENCUMBERED BALANCE
Nov. 1973					
7,458 44	1 Personal Services	50,420 00	36,128 82		14,321 18
744 37	2 Emp. Related Exp.	6,250 00	4,469 08		1,780 92
51 00	3 Professional Serv.	1,196 50	474 00		722 50
447 56	4 Travel - State	4,200 00	1,825 28	1,373 26	1,001 46
516 51	5 Travel-Out of State	3,400 00	946 02	674 84	1,779 14
2,493 53	6 Other Operating Exp.	28,433 16	16,956 53	9,929 57	1,547 06
	7 Capital Outlay-Equip.	2,800 00	1,955 20	317 30	527 50
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11,711 41	TOTALS	96,729 66	62,754 93	12,294 97	21,679 76

1 CLAIMS PAID YEAR TO DATE	2 OBJECT CODE NO.	3 DISTRIBUTION OF EXPENDITURES CLASSIFICATION	4 CLAIMS PAID MONTH OF Nov. 1973
540.00	7111	1 Per Diem: Commission Members	1
35,588.82	7112	2 Salaries: Employees	2 7,458.44
132.26	7151	3 Industrial Insurance	3
1,557.82	7153	4 F.I.C.A.	4 143.71
2,078.76	7155	5 Retirement	5 428.10
525.24	7156	6 Health Insurance	6
175.00	7159	7 Personnel Commission	7 172.56
		8	8
	7215	9 Professional Services: Engineer	9
474.00	7219	10 Professional Services: Other	10 51.00
		11	11
233.60	7221	12 Travel - State: Mileage	12
696.00	7222	13 Subsistence	13 153.00
38.78	7223	14 Public Transp.	14 38.78
720.50	7224	15 Vehicle Expense	15 208.88
136.40	7225	16 Reg. Fees; Parking; etc.	16 46.90
		17	17
353.00	7232	18 Travel - Out of State: Subsistence	18 185.00
537.27	7233	19 Public Transp.	19 306.21
5	7234	20 Airport Parking	20
55.75	7235	21 Reg. Fees; Telephone; etc.	21 25.30
		22	22
12,940.22	7251	23 Occupancy: Office Rent	23 1,849.46
	7261	24 Warehouse Rent	24
	7263	25 Warehouse Mtn. & Repair	25
460.00	7272	26 Mtn. & Repairs: Furn. & Equip.	26
1,386.05	7280	27 Office Supplies	27 246.15
93.90	7300	28 Field Supplies; Film; Am.Strat; P.I., etc.	28 19.50
321.56	7331	29 Printing: Reports; Large Maps; etc.	29
	7332	30 Legal Advertisement	30
	7333	31 Court Reporter, Notary Commission, etc.	31
252.70	7334	32 Postage	32 80.00
963.39	7335	33 Telephone	33 275.92
	7337	34 Drayage; Express; etc.	34
65.21	7349	35 Rental, Misc.	35
22.50	7360	36 Dues & Subscriptions	36 22.50
		37	37
1,955.70	7431	38 Capital Outlay: Office Equip; Tpr; etc.	38
	7434	39 Spec. Equip. (Geol.)	39
	7436	40 Automobile	40
		41	41
250.00	7913	42 Revolving Fund	42
		43	43
195.00	7280.1	44 Orthophoto Quads	44
		45	45
		46	46
		47	47
		48	48
		49	49
		50	50
		51	51
		52	52
		53	53
		54	54
		55	55
62,754.93		TOTAL	11,711.41



OFFICE OF
Oil and Gas Conservation Commission

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December 6, 1973

Memo: Commissioners
From: John Bannister *JB*

I attended the meeting of the Interstate Oil Compact Commission held in New Orleans on Sunday, December 2 through December 5, 1973. Also from Arizona were Governor and Mrs. Jack Williams and Commission Chairman and Mrs. Ralph Bilby.

Many interesting papers were given during the meeting, among them an explanation of Utah's oil impregnated sandstones. A paper on the energy crisis in the oil country was given by Mr. Clint Pray of Louisiana. Other speeches touching on the energy crisis were in prime position. The main speaker of the convention was to have been Honorable John A. Love, however prior to his appearance he left his position as Director of Energy Policy in Washington.

The theme of the meeting, generally speaking, concerned itself with the energy crisis and what potential steps could be taken to help overcome the situation. In addition to Governor Williams, Governors Hall of Colorado, Edwin Edwards of Louisiana, Bruce King of New Mexico and Dolph Briscoe of Texas were in attendance.

At the general meeting held on Wednesday, Governor Edwards of Louisiana gave an excellent summary of the energy crisis and what led us to it.

It is with great pride that I assure you our Governor and his wife were a big hit, as were our Chairman and his wife.

I might mention that the Environmental Protection Committee, of which I am Chairman, is involved in two studies, one being to prepare a section on the industry's effort toward environmental protection for the revised Governors' Study on the Conservation of Oil, initially budgeted in 1964, and two, a study of the specific problems facing the various member states. An appointed sub committee has done extensive study of the problems of member states and has identified eighteen common problems. Each of these problems will be studied in depth and subsequent reports made.

Memo: Commissioners
December 6, 1973
Page Two

For your information, I am attaching copy of a paper given by Mr. A. L. Porter, Jr., of New Mexico, wherein is documented many warnings given by industry and the Interstate Oil Compact Commission of the energy crisis in which we now find ourselves.

Enc.